

H.R. 1420, Energy Efficient Government Technology Act

As ordered reported by the Senate Committee on Energy and Natural Resources on September 25, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 1420 would require federal agencies, in consultation with the Office of Management and Budget, the Department of Energy (DOE), and the Environmental Protection Agency, to implement strategies to acquire, use, and maintain information technologies expected to increase energy efficiency. The act also would direct agencies to pursue activities to enhance the energy efficiency of data centers and would specify administrative and reporting requirements.

Using information from DOE and other agencies, CBO estimates that implementing H.R. 1420 would not significantly affect the federal budget. The act's requirements are largely consistent with existing policy and are unlikely to result in significant changes in overall federal spending related to energy-efficient technologies. CBO estimates that any increased costs associated with reporting and administrative requirements under H.R. 1420, which would be subject to the availability of appropriated funds, would not be significant in any year and over the 2020-2024 period.

H.R. 1420 could affect direct spending if agencies procure energy-efficient technologies using long-term contracts known as energy savings performance contracts (ESPCs).¹ However, because H.R. 1420 would not change those contracts' scope or the ability of

1. In CBO's judgment, agencies that enter into ESPCs make an obligation—a commitment of federal resources—on behalf of the government to cover the full cost of the equipment to be acquired, but without the necessary appropriations. Therefore, legislation authorizing ESPCs creates the authority to make such obligations, and in the absence of appropriations sufficient to cover the contractual costs, that authority is a form of mandatory rather than discretionary spending. See Congressional Budget Office, *Using ESPCs to Finance Federal Investments in Energy-Efficient Equipment* (February 2015), www.cbo.gov/publication/49869.

agencies to enter into them, CBO estimates that any incremental increase in direct spending stemming from increased use of such contracts under the act would not be significant.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.